

UNITED STATES OF AMERICA
DEPARTMENT OF COMMERCE

In the Matter of

HALLIBURTON ENERGY SERVICES,
INC.

Case No. 96-14

ORDER

The Office of Antiboycott Compliance, Bureau of Export Administration, U.S. Department of Commerce ("Department"), having determined to initiate an administrative proceeding pursuant to Section 11(c) of the Export Administration Act of 1979, as amended (50 U.S.C.A. app. §§ 2401-2420 (1991 & Supp. 1997)) (the "Act")¹ and the Export Administration Regulations (currently codified at 15 C.F.R. Parts 730-774 (1997)), against Halliburton Energy Services, Inc. ("Halliburton"), a domestic concern resident in the State of Texas, based on the allegations set forth in the Proposed Charging Letter, dated August 1, 1997, attached hereto and incorporated herein by this reference;

¹ The Act expired on August 20, 1994. Executive Order 12924 (3 C.F.R., 1994 Comp. 917 (1995)), extended by Presidential Notices of August 15, 1995 (3 C.F.R., 1995 Comp. 501 (1996)), August 14, 1996 (3 C.F.R., 1996 Comp. 298 (1997)), and August 13, 1997, (62 Fed. Reg. 43629, August 15, 1997), continued the Regulations in effect under the International Emergency Economic Powers Act (50 U.S.C.A. §§ 1701-1706 (1991 & Supp. 1997)).

- 2 -

The Department and Halliburton having entered into a Settlement Agreement, incorporated herein by this reference, whereby the parties have agreed to settle this matter; and

The Assistant Secretary for Export Enforcement having approved the terms of the Settlement Agreement:

IT IS THEREFORE ORDERED THAT,

FIRST, a civil penalty in the amount of \$15,000 is assessed against Halliburton;

SECOND, Halliburton shall pay to the Department this sum of \$15,000 within thirty (30) days of service of this Order, as specified in the attached instructions.

THIRD, as authorized by Section 11(d) of the Act, the timely payment of this sum of \$15,000 is hereby made a condition to the granting, restoration or continuing validity of any export license, permission, or privilege granted, or to be granted, to Halliburton. Accordingly, if Halliburton should fail to pay this sum in a timely manner, the undersigned will enter an Order under the authority of Section 11(d) of the Act denying all of Halliburton's export privileges for a period of one year from the date of the entry of this Order; and

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FOURTH, the Proposed Charging Letter, the Settlement Agreement and this Order shall be made available to the public, and a copy of this Order shall be served upon Halliburton.

This Order is effective immediately.

Frank W. Deliberti
Frank W. Deliberti
Acting Assistant Secretary
for Export Enforcement

Entered this 16 day of October, 1997

INSTRUCTIONS FOR PAYMENT OF CIVIL PENALTY

1. The civil penalty check should be made payable to:

U.S. DEPARTMENT OF COMMERCE

2. The check should be mailed to:

U.S. Department of Commerce
Bureau of Export Administration
Room 622
14th & Constitution Avenue, N.W.
Washington, D.C. 20230

Attention: Miriam Cohen

UNITED STATES OF AMERICA

DEPARTMENT OF COMMERCE

In the Matter of

HALLIBURTON ENERGY SERVICES,
INC.

Case No. 96-14

SETTLEMENT AGREEMENT

This agreement is made by and between Halliburton Energy Services, Inc. ("Halliburton"), a domestic concern resident in the State of Texas, and the United States Department of Commerce ("Department"), pursuant to Section 766.18(a) of the Export Administration Regulations (currently codified at 15 C.F.R. Parts 730-774 (1997)), issued pursuant to the Export Administration Act of 1979, as amended (50 U.S.C.A. app. §§ 2401-2420 (1991 & Supp. 1997)) (the "Act").¹

WHEREAS, the Office of Antiboycott Compliance, Bureau of Export Administration, U.S. Department of Commerce, has notified Halliburton of its intention to initiate an administrative proceeding against Halliburton pursuant to Section 11 (c) of the Act by issuing the Proposed Charging Letter, dated August 1, 1997,

¹ The Act expired on August 20, 1994. Executive Order 12924 (3 C.F.R., 1994 Comp. 917 (1995)), extended by Presidential Notices of August 15, 1995 (C.F.R., 1995 Comp. 501 (1996)), August 14, 1996 (3 C.F.R., 1996 Comp. 298 (1997)) and August 13, 1997, (62 Fed. Reg. 43629, August 15, 1997), continued the Regulations in effect under the International Emergency Economic Powers Act (50 U.S.C.A. §§ 1701-1706 (1991 & Supp. 1997)).

- 2 -

a copy of which is attached hereto and incorporated herein by this reference; and

WHEREAS, Halliburton has reviewed the Proposed Charging Letter and is aware of the allegations against it and the administrative sanctions which could be imposed against it if the allegations are found to be true; it fully understands the terms of this Settlement Agreement, and enters into this Settlement Agreement voluntarily and with full knowledge of its rights; and it states that no promises or representations have been made to it other than the agreements and considerations herein expressed; and

WHEREAS, Halliburton neither admits nor denies the truth of the allegations, but wishes to settle and dispose of the allegations made in the Proposed Charging Letter by entering into this Settlement Agreement; and

WHEREAS, Halliburton agrees to be bound by the appropriate Order ("Order") when entered;

NOW, THEREFORE, Halliburton and the Department agree as follows:

1. Under the Act and the Regulations, the Department has jurisdiction over Halliburton with respect to the matters alleged in the Proposed Charging Letter.

2. In complete settlement of all matters set forth in the Proposed Charging Letter, Halliburton will pay to the Department, within 30 days of service upon it of the appropriate Order, when entered, the amount of \$15,000.
3. As authorized by Section 11(d) of the Act, timely payment of the amount agreed to in paragraph 2 is hereby made a condition of the granting, restoration, or continuing validity of any export license, permission, or privilege granted, or to be granted, to Halliburton. Failure to make payment of this amount shall result in the denial of all of Halliburton's export privileges for a period of one year from the date of entry of the appropriate Order imposing the civil penalty.
4. Subject to the approval of this Settlement Agreement pursuant to paragraph 9 hereof, Halliburton hereby waives all rights to further procedural steps in this matter (except with respect to any alleged violation of this Settlement Agreement or the appropriate Order, when entered) including, without limitation, any right to:

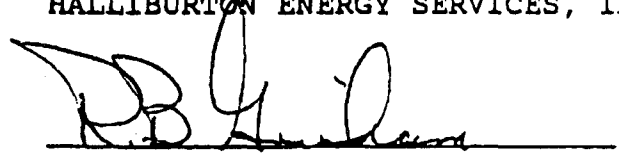
- 4 -

- A. An administrative hearing regarding the allegations in the Proposed Charging Letter;
 - B. Request a refund of the funds paid by Halliburton pursuant to this Settlement Agreement and the appropriate Order, when entered; or
 - C. Seek judicial review or otherwise contest the validity of this Settlement Agreement or the appropriate Order, when entered.
5. The Department, prior to and upon entry of the appropriate Order, will not subsequently initiate any administrative or judicial proceeding, or make a referral to the Department of Justice for criminal proceedings against Halliburton, with respect to any alleged violation of Section 8 of the Act or Part 769 or redesignated Part 760 of the Regulations arising out of the matters set forth in the Proposed Charging Letter or any other matter that was disclosed to or reviewed by the Department prior to the execution of this Settlement Agreement.
6. Halliburton understands that the Department will disclose publicly the Proposed Charging Letter, this Settlement Agreement, and the appropriate Order, when entered.

- 5 -

7. This Settlement Agreement is for settlement purposes only, and does not constitute a finding or determination by the Department or an admission by Halliburton that Halliburton has violated the Regulations or an admission of the truth of any allegation contained in the Proposed Charging Letter or referred to in this Settlement Agreement. Therefore, if this Settlement Agreement is not accepted and the appropriate Order not entered by the Assistant Secretary for Export Enforcement, the Department may not use this Settlement Agreement against Halliburton in any administrative or judicial proceeding.
8. No agreement, understanding, representation or interpretation not contained in this Settlement Agreement may be used to vary or otherwise affect the terms of this Settlement Agreement or the appropriate Order, when entered, nor shall this Settlement Agreement bind, constrain or otherwise limit any action by any other agency or department of the United States Government with respect to the facts and circumstances herein addressed.
9. This Settlement Agreement will become binding on the Department only when approved by the Assistant Secretary for Export Enforcement by entering the appropriate Order.

HALLIBURTON ENERGY SERVICES, INC.



R.B. Leland

Date: 19 SEPT 97

U.S. DEPARTMENT OF COMMERCE



Dexter M. Price

Dexter M. Price
Acting Director
Office of Antiboycott Compliance

Date: October 7, 1997



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UNITED STATES DEPARTMENT OF COMMERCE
Bureau of Export Administration
Washington, D.C. 20230

PROPOSED CHARGING LETTER

August 1, 1997

Halliburton Energy Services, Inc.
In Care of
Halliburton Company
3600 Lincoln Plaza, 500 N. Akard St.
Dallas, TX 75201-3391

Case No. 96-14

Gentlemen:

We have reason to believe and charge that you, Halliburton Energy Services, Inc., have committed fifteen (15) violations of the Export Administration Regulations, currently codified at 15 C.F.R. Parts 730-774 (1997), (the "Regulations")¹ issued pursuant to the Export Administration Act of 1979, as amended (50 U.S.C.A. app. §§ 2401-2420 (1991 & Supp. 1997)) (the "Act")². We charge that you committed fifteen violations of Section 769.6 of the former Regulations, in that you failed to report in a timely manner, as directed by that section, receipts of requests to engage in restrictive trade practices or boycotts.

¹ The alleged violations occurred in 1993 and 1994. The Regulations governing the violations at issue are found in the 1993 and 1994 versions of the Code of Federal Regulations (15 C.F.R. Parts 768-799 (1993-1994)). Those Regulations define the violations that the Bureau of Export Administration alleges occurred and are referred to hereinafter as the former Regulations. Since that time, the Regulations have been reorganized and restructured; the restructured Regulations, codified at 15 C.F.R. Parts 730-774, established the procedures that apply to the matters in this letter.

² The Act expired on August 20, 1994. Executive Order 12924 (3 C.F.R., 1994 Comp. 917 (1995)), extended by Presidential Notices of August 15, 1995 (3 C.F.R., 1995 Comp. 501 (1996)) and August 14, 1996, (3 C.F.R., 1996 Comp. 298 (1997)), continued the Regulations in effect under the International Emergency Economic Powers Act (50 U.S.C.A. §§ 1701-1706 (1991 & Supp. 1997)).



We allege that:

1. You are a domestic concern resident in the State of Texas and, as such, you are a United States person as defined in Section 760.1(b) of the Regulations.
2. During the period September 1993 through August 1994, you engaged in transactions involving the sale or purchase of goods and/or the transfer of services, including information, between the United States and Iran, activities in the interstate or foreign commerce of the United States as defined in Section 769.1(d) of the former Regulations.
3. In connection with the transactions referred to in paragraph 2 above, you received requests to engage in restrictive trade practices or boycotts, described in Table A, which is attached and incorporated by this reference, which you failed to report to the Department in a timely manner as directed by Section 769.6 of the former Regulations. By failing to so report, you are in violation of Section 769.6 of the former Regulations. We therefore charge you with fifteen (15) violations of that Section.

Accordingly, administrative proceedings are instituted against you pursuant to Part 766 of the Regulations for the purpose of obtaining an Order imposing administrative sanctions.³

You are entitled to a hearing on the record as provided in Section 766.6 of the Regulations. If you wish to have a hearing on the record, you must file a written demand for it with your answer. You are entitled to be represented by counsel, and under Section 766.18 of the Regulations, to seek a settlement agreement.

³ /Administrative sanctions may include any or all the following:

- a. The maximum civil penalty of \$10,000 per violation (see § 764.3(a)(1) of the Regulations);
- b. Denial of export privileges (see § 764.3(a)(2) of the Regulations); and/or
- c. Exclusion from practice (see § 764.3(a)(3) of the Regulations).

If you fail to answer the allegations contained in this letter within thirty (30) days after service as provided in Section 766.6, such failure will be treated as a default under Section 766.7.

As provided in Section 766.3, I am referring this matter to the Administrative Law Judge. Pursuant to an Interagency Agreement between BXA and the U.S. Coast Guard, the U.S. Coast Guard is providing administrative law judge services, to the extent that such services are required under the Regulations, in connection with the matters set forth in this letter. Therefore, in accordance with the instructions in Section 766.5(a) of the Regulations, your answer should be filed with:

U.S. Coast Guard ALJ Docketing Center
40 South Gay Street
Baltimore, Maryland 21202-4022

Attention: Administrative Law Judge

Also, in accordance with the instructions in Section 766.5(b) of the Regulations, a copy of your answer should also be served on the Bureau of Export Administration at:

Office of the Chief Counsel for Export Administration
U.S. Department of Commerce
Room H-3839
14th Street & Constitution Avenue, N.W.
Washington, D.C. 20230

Attention: Jeffrey E.M. Joyner, Esq.

Mr. Joyner can be reached by telephone at (202) 482-5311.

Sincerely,

Dexter M. Price
Acting Director
Office of Antiboycott Compliance

TABLE A
Schedule of Alleged Violations of Section 769.6
Failures to Report Receipts of Boycott
Requests in a Timely Manner
(Code A*-"Goods originating from Israel...are not acceptable.")
Halliburton Energy Services, Inc. Case No. 96-14

<u>Item</u>	<u>Number</u>	<u>Date</u>	<u>Country</u>	<u>Code*</u>
01.	3-07-859094 M324	7/9/93	Iran	A
02.	3-07-859093 M324	9/10/93	Iran	A
03.	03-65-859 100	11/18/93	Iran	A
04.	03-07-859 096-M324	12/13/93	Iran	A
05.	03-06-859 092	2/3/94	Iran	A
06.	03-22-07- 859076MS324	3/28/94	Iran	A
07.	03-02-859 093 M324	4/19/94	Iran	A
08.	03-07-859 119	7/14/94	Iran	A
09.	03-07-859 119 M324	7/15/94	Iran	A
10.	03-07-859 113	7/15/94	Iran	A
11.	03-07-859 110	7/15/94	Iran	A
12.	03-07-859 109	7/15/94	Iran	A
13.	03-07-859 108	7/15/94	Iran	A
14.	03-07-859 107	7/15/94	Iran	A
15.	08-03-260 616	8/4/94	Iran	A